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A Brief Summary of Economic Conditions

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CIVILIAN FOOD CONSUMPTION per capita throughout 1944 may average about the same as last year. * * * Record egg production has depressed prices in recent months, but the seasonal rise in prices from now until November is expected to be greater than last year. * * * This season's prospective wheat crop is expected to be fully adequate for normal food, feed and seed uses. * * * Despite declining livestock numbers, reserve feed grain supplies for the country as a whole will be largely depleted by the end of summer. Thus supplies for the next feeding year, beginning in October, will have to come mostly from 1944 production and imports. * * * Fertilizer supplies, including nitrogen, are expected to be adequate for summer and fall application on essential crops. * * * Prices paid by farmers in mid-May averaged the same as a month earlier, while prices received by farmers were down 1 point, averaging 114 percent of parity compared with 115 percent a month earlier and 119 percent a year earlier.

Commodity Reviews

FOOD SUPPLIES

EVEN THOUGH a fourth of this year's food output (or equivalent) will be used to meet war requirements—compared with only a fifth in 1943—civilian food consumption per capita in 1944 is expected to average about the same as last year. The rate of civilian consumption during the first 4 months of 1944 has been somewhat higher than in 1943 and civilian food supply prospects are relatively good for the next few months.

**Civilian Consumption of Principal Foods,
Calendar Years, 1935-39 Average,
1943 and 1944**

Food item	Consumption per capita in pounds		
	1935-39 average	1943	1944 preliminary appraisal
Red meats	126	137	145
Poultry meats	21	31	27
Eggs ¹	298	344	353
Fluid milk and cream	340	403	396
Cheese	5.5	5.0	4.6
Butter	16.7	12.0	12.6
Fats and oils ²	31	34	33
Fresh fruits	138	121	139
Processed fruits ³	25	25	23
Fresh vegetables	235	233	243
Processed vegetables ⁴	32	31	29
Potatoes and sweetpotatoes ⁴	154	163	142
Sugar	97	78	81
Corn products	39	44	43
Wheat flour	154	157	158
Coffee	14	13	15
Tea	0.7	0.5	0.6
Cocoa	4.4	3.1	3.9

¹ Numbers, not pounds. ² Excluding butter.

³ Pack year. ⁴ July 1 year for potatoes, crop year for sweetpotatoes.

Because of record production, together with shipping and storage difficulties, civilian meat consumption for the first half of 1944 is expected to be at the unusually high rate of 155 pounds per capita and for the whole year about 145 pounds. This is 8 pounds more than the 137 pounds per capita consumed in both 1943 and 1942, and considerably higher than the 126-pound pre-war 1935-39 average.

With recently improved milk production prospects, the civilian supply of all dairy products in 1944 may approximate 1943. Butter supplies are expected to be larger, fluid milk about the same, but cream, cheese, and condensed and evaporated milk somewhat smaller for the whole year.

During the early summer, potatoes and eggs will continue to be abundant despite the seasonal decline in egg supplies.

Total civilian supply of fruits and vegetables throughout 1944 will be at least as large as last year. The prospective 15 to 20 percent reduction in civilian canned goods, necessitated by heavy war requirements, is expected to be offset by large fresh supplies, particularly vegetables.

WHEAT

THE 622 million bushel winter wheat crop indicated in May, being 60 million bushels above that indicated in April, is one-fourth larger than the 1943 winter wheat crop and 16 percent above the 10-year (1933-42) average.

Assuming spring wheat yields equal to those of the post-drought years on the acreage intentions report, and including the May estimate for the winter crop, the indicated 1944 production of all wheat would be approximately 885 million bushels. A crop of this size would take care of all the wheat needed for domestic consumption as food as well as for seed, normal feeding, moderate use for alcohol, and moderate exports. While the improved April indications have eased the prospective supply situation, this year's crop would still not be large enough to take care of above normal feeding and very large exports; these would necessitate substantial imports if our reserves are to be maintained at a desirable level.

FEED

DURING THE 3 months ended January 1, 1944, the first 3 months of the current feeding year, disappearance of feed grains was the greatest on record for that period. Disappearance of feeds was also high during the next 3 months but at a slightly lower rate than in the January-March period a year earlier. Present indications are that feed disappearance is continuing at a relatively high rate compared with an average of former years, but slightly less than at this time in 1943.

Sufficient supplies of feed grains are in the country as a whole to carry through until new-crop grain is obtainable although they are not evenly distributed. It is expected that by October 1 stocks of feed grains will be at the lowest level for that date since 1937. Supplies of feed for next year, of course, depend mainly upon production this year.

Byproduct feed production continues about the same as last year or slightly above, and supplies, while not able to completely satisfy demand, are in a relatively better position than that of feed grains.

A bright spot in the feed picture is the present prospect for crops, pastures, and ranges. The extreme dryness of last fall and early winter was followed by an unusually wet February, March, and April. Although cool weather delayed good growth during March and April, warm weather and the favorable moisture conditions in recent weeks over most of the country are expected to produce good grazing and forage. In addition, prospects for crops have improved considerably.

DAIRY PRODUCTS

LATE-SPRING milk and butterfat prices to farmers averaged higher than a year earlier. Sharp increases in feed prices were not fully offset by the higher prices and Government pay-

ments. The milk-feed ratio in May was 1.27 as compared with 1.30 a year earlier; while the butterfat-feed ratios were 23.1 and 24.7 respectfully. However, it is likely that milk-feed ratios will be more favorable than last year throughout most of 1944, while butterfat-feed ratios will become more favorable during the last half of 1944.

New dairy production payments announced by the War Food Administration reduce milk payments 15 cents per cwt. and butterfat 2 cents per pound during most of the summer. The May-August rates are 35 to 65 cents for whole milk and 6 cents for butterfat. But from September 1944 through March 1945 payments will be increased 25 cents per hundredweight on milk and 4 cents per pound on butterfat.

Under WFA authorization increasing sales quotas of fluid cream, fluid milk byproducts, and ice cream during May and June, civilians will get more of these products. The measures were designed to facilitate full utilization of anticipated larger-than-usual seasonal increases in milk production.

Civilian supplies of butter and American cheese were expected to be larger during May and June of this year than a year earlier and also larger than in the first quarter of 1944. Allocations were 120 million pounds of cheese, as compared with 90 million pounds in the first quarter, and 432 million pounds of butter, as compared with 410 million pounds in the first quarter. Evaporated and condensed milk allocations remain unchanged.

Total production of manufactured dairy products, milk equivalent basis, made a greater percentage increase from February to March this year than at any time since 1926. This was a result of more-than-seasonal increase in milk production in that period, plus limitations on fluid milk and cream sales which prevented the usual seasonal increase in sales of those products.

Index Numbers of Prices Received and Paid by Farmers

[1910-14=100]

Year and month	Prices received	Prices paid, interest and taxes	Parity ratio ¹
1943			
January.....	181	157	115
February.....	184	159	116
March.....	192	160	120
April.....	197	162	122
May.....	194	163	119
June.....	195	164	119
July.....	193	165	117
August.....	192	165	116
September.....	193	165	117
October.....	194	166	117
November.....	194	167	116
December.....	196	169	116
1944			
January.....	196	169	116
February.....	195	170	115
March.....	196	170	115
April.....	196	170	115
May.....	194	170	114

¹ Ratio of prices received to prices paid, interest, and taxes.

POULTRY AND EGGS

EGG production in the first third of 1944 was 9 percent larger than the previous record of a year ago, and 56 percent above the 10-year average. The seasonal peak has passed and a continuing decline has started which will culminate in the seasonal low point in November. The late winter and early spring rate of culling of laying flocks was unusually low, but a considerable increase over last year is expected by early summer.

Increases are anticipated in egg prices during the summer-fall period this year over the same period last year. The War Food Administration has authorized its agents buying current-receipt eggs to pay 27 cents per dozen instead of 26 cents as formerly provided.

Supplies of both poultry and eggs have been at record levels thus far in 1944. Farm prices for chickens in mid-May were 24.4 cents per pound live weight, compared with 24.7 cents

a year ago. Average feed costs in farm poultry rations on May 15 were 13 percent more than on May 15, 1943.

There were 464,876,000 chicks and young chickens of this year's hatching on farms May 1, about 1½ percent less than a year earlier but 33 percent above the 10-year average. Indications are, however, that there will be a much smaller hatch for flock replacement purposes in the May-July period this year than last.

LIVESTOCK

HEAVY receipts of hogs for slaughter in late April caused hog prices of support-weight range to drop to support levels at most market. Large daily carryovers of unsold hogs at principal markets were common with a weak demand for hogs at support prices. Consequently carryovers were made up of hogs in the support price range so that sows and butcher hogs lighter than or heavier than support weights suffered large price discounts. To remedy this, good and choice butcher hogs weighing 180 to 200 pounds were included in the support price program beginning May 15.

Hog prices are not likely to improve until most of last fall's 48 million pig crop has been marketed, although the freeing of pork from ration points will increase the demand for hogs. Large marketings are anticipated through September 30, when the support price will be lowered from \$13.75 to \$12.50 at Chicago, and will apply to good and choice butcher hogs weighing 200 to 240 pounds (or 180 to 240 if the emergency support price extension remains in effect that long) instead of the 200- to 270-pound weight range supported for the largest part of 1943.

Mid-May prices for cattle in general were at the highest levels of the year and these prices were at about the same level as in 1943 for all but the lowest grades. Prospect of larger cattle slaughter for the rest of this

year than last makes it unlikely that prices for all cattle will average as high from now on this year as in the same period in 1943.

A 6-percent decrease from last year in the early spring lamb crop, poor development of lambs in California (the principal early lamb State), and an anticipated smaller total late lamb crop than last year will probably add up to higher lamb prices this year.

FATS AND OILS

PRODUCTION of fats and oils reached a new high in the first quarter this year principally because of record slaughter of hogs and cattle.

Seasonal decline in production and stocks of fats and oils is expected to take place till October. Reduced production is likely in 1944-45 because of a smaller pig crop this year. A possible increased European demand is another factor pointing to increased tightness in United States supplies.

Abundant lard supplies made possible the removal of restrictions on the use of lard and rendered pork fat in making soap and edible products from May 15 through June 30. Lard or rendered pork fat bought during this period also may be used without restriction in the manufacture of edible products prior to October 1 if reported to WFA by July 15.

A total of 43,273,000 bushels of soybeans were crushed during the 3-month period January 1 to March 31, 1944, or more than 15 percent above a year earlier. Current stocks are somewhat lower than at the same time last year, but a reduction in the year-end carry-over would permit soybean processing at a rate at least as high.

WOOL

MILL consumption of apparel wool increased sharply in the first quarter of 1944, halting the downward trend which had been in progress since early 1943. Consumption from Jan-

Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and State]

	5-year average		May 1943	April 1944	May 1944	Parity price May 1944
	August 1909-July 1914	January 1935-De- cember 1939				
Wheat (bushels).....dollars..	0.884	0.837	1.228	1.47	1.47	1.50
Corn (bushel).....do.....	.642	.691	1.034	1.15	1.15	1.09
Oats (bushel).....do.....	.399	.340	.612	.794	.799	.678
Rice (bushel).....do.....	.813	.742	¹ 1.827	1.90	1.78	1.38
Cotton (pound).....cents..	12.4	10.29	20.09	20.24	19.80	21.08
Potatoes (bushel).....dollars..	.697	.717	¹ 1.903	1.37	1.34	1.22
Hay (ton).....do.....	11.87	8.87	12.66	16.20	16.10	20.20
Soybeans (bushel).....do.....	2.96	.954	1.72	1.91	1.93	³ 1.63
Peanuts (pound).....cents..	4.8	3.55	7.01	7.63	7.74	8.16
Apples (bushel).....dollars..	.96	.90	2.40	3.17	3.19	1.63
Oranges, on tree, per box.....do.....	⁴ 1.81	1.11	2.35	2.20	2.43	³ 1.97
Hogs (hundredweight).....do.....	7.27	8.38	¹ 13.89	13.00	12.70	12.40
Beef cattle (hundredweight).....do.....	5.42	6.56	¹ 12.88	12.10	12.10	9.21
Veal calves (hundredweight).....do.....	6.75	7.80	¹ 14.26	13.20	13.30	11.50
Lambs (hundredweight).....do.....	5.88	7.79	¹ 13.82	13.60	13.40	10.00
Butterfat (pound) ⁵cents..	26.3	29.1	¹ 50.7	¹ 50.9	50.7	⁶ 42.3
Milk, wholesale (100 pounds) ⁵dollars..	1.60	1.81	¹ 3.04	¹ 3.19	¹ 3.14	⁶ 2.45
Chickens (pounds).....cents..	11.4	14.9	24.7	23.7	24.4	19.4
Eggs (dozen).....do.....	21.5	21.7	34.2	27.1	27.2	⁶ 30.0
Wool (pound).....do.....	18.3	23.8	¹ 42.2	39.7	40.6	31.1

¹ Revised.

² Comparable base price, August 1909-July 1914.

³ Comparable price computed under sec. 3 (b) Price Control Act.

⁴ Comparable base price, August 1919-July 1929.

⁵ Does not include dairy production payments since April 1944.

⁶ Adjusted for seasonality.

⁷ Preliminary.

uary through March was at an annual rate of 609 million pounds (scoured basis) compared with the 1943 record consumption of 592 million pounds.

Only a small quantity of wool from the 1944 clip had been appraised for purchase by mid-May. The average price received by farmers at that time was 40.6 cents per pound as compared with 42.2 cents a year earlier.

The Commodity Credit Corporation bought 275 million pounds of domestic wool between April 25, 1943, and April 30, 1944. Sales in that period totaled 100 million pounds and unsold stocks on April 30 amounted to 175 million pounds.

Small sales during the past year accent lowered demand for domestic wool since foreign wools are obtainable for much lower prices while Army orders, the principal outlet for domestic wool, have declined.

FARM LABOR

FROM ABOUT June 15 through the middle of August small grain producers, especially in Kansas, Nebraska, the Dakotas, and Montana, are expected to be confronted with the problem of harvesting a larger crop than last year but with a smaller farm work force than last season. On the first of this May there were 691,000 people working on farms in this area compared to 730,000 on the same date in 1943. Ordinarily farm employment in the grain area increases 15 or 20 percent from May to the peak harvest period.

To help with the 1943 wheat harvest about 3,000 people from drought-affected areas of Mississippi, Arkansas, and Oklahoma were transported to North and South Dakota and Montana. It is not now possible to determine the number of such workers that will be available in 1944. Also, nearly 6,000 soldiers were assigned to work in the 1943 harvest of grain but here again such help may not be obtainable this season. However, there are some

prospects of using Mexican workers and also war prisoners in the grain fields.

Most combines will see service on many farms this summer and an unusually large number of them will make the circuit from Texas north to the Canadian border. It is also expected that combines from Canada will be working in American grain fields during the coming months.

FERTILIZER

FERTILIZER supplies available during the summer and fall months will be adequate to supply all the needed requirements for increasing food production where fertilizer can be used to advantage. Fall application of nitrogen and mixed fertilizers on grass, hay and forage crops will assure early grazing and increased production in the spring of 1945.

Nitrogen supplies in the form of solutions for use in mixed fertilizer will be adequate to meet the demands during the summer and fall months. The ammonium nitrate available for fertilizer use is now being conditioned so that it can be stored and maintained in a satisfactory physical condition for a considerable length of time. Other nitrogen materials will be available at a rather uniform rate during the summer and fall months. This will provide adequate supplies of nitrogen to meet all the needs for direct application, and for use in mixed fertilizer for the fall needs with increased quantities wherever it is practical to be used for increasing production, especially livestock feeds.

Superphosphate production will be at the rate of approximately 8,000,000 tons (basis 18 percent) by July 1 and this will be further increased during the fall months depending upon the supplies of rock, sulphuric acid and labor.

Potash production for 1944-45 will be at least 15 percent more than the supply available for 1943-44.

The fertilizer program has changed during the war period from a seasonal business to a year-round enterprise. In pre-war years the production and sale of fertilizers reached a peak in March and April of each spring with over 50 percent of the total quantities being distributed in this short period.

In order to obtain maximum production of supplies of nitrogen, phosphorus and potash needed for crop production, it has been necessary to maintain production and distribution of material to fertilizer mixers on a year-round basis. During the last year the movement of fertilizer for spring use started to the local dealers and farmers in November and December and reached a high level in January through March with some drop-off in April. This spread the delivery over a 4 or 5 months period rather than the usual short 2 month period.

FARM MACHINERY

PRODUCTION of large combines and labor-saving haying equipment was running behind schedule at the end of April.

With no prospect of getting, in time for 1944 harvests, the full amounts of new equipment which had been scheduled for production—and which had been regarded as minimum requirements—growers of wheat and other small grains and hay face the necessity of relying heavily on custom work. This is particularly true in areas where hay and small grain acreages are large. Custom use of large combines and the more expensive types of haying equipment would be necessary even if manufacturers were completing their production schedules on time. Therefore, in addition to using each machine on as many fields as possible, farmers will again need to take a chance on the old machine, reducing the element of chance as much as possible through advance repair work.

The production of corn pickers also was lagging as the last quarter of the

production year began. However, with several months remaining before the season of use, this lag was not regarded as being so serious as delays in the production of other harvesting machinery. There was still time to complete the scheduled production if shortages of chain and other component parts as well as manpower in the manufacturing plants—problems applying to all machinery production—could be sufficiently overcome.

CONTAINERS

EVEN THOUGH food container supplies are severely strained, it is expected that they can be stretched during the present season to keep the Nation's food supplies moving. However, there may be interruptions in some lines. The difficulties are largely traceable to the extremely heavy shipments of food and material to the armed forces, with "V-boxes" requiring three or four times as much paperboard as domestic containers for the same amount of food.

Increased needs for container and shipping uses have been responsible for a sharp increase in lumber consumption since 1941 while lumber production has been declining. First quarter lumber stocks in 1944 were approximately 7 billion board feet, as contrasted with more than twice that amount for the first quarter of 1943. The 1944 figure may be considered an irreducible working minimum and in certain lines there is no inventory cushion.

For fruit and vegetable growers the tight lumber situation is reflected in a shortage of new wooden containers for greatly increased 1944 production. Other factors accounting for this shortage, estimated as varying from 10 to 25 percent according to area, are inadequate labor in the factories of hamper and round stave basket manufacturers, and low ceiling prices. With a small carry-over from last year, the shortage must be made up largely

through re-use of secondhand containers. Special freight rates are already in effect for the shipment of secondhand fruit and vegetable containers in many regions. These lower costs for returning second-hand packages will make possible the shipment of a greater volume of fruits and vegetables, as well as other perishable products.

Egg cases are also a serious problem because of the shortage of suitable ones to store the large spring surplus of eggs. Production of cannery cases, which represent 25 percent of the annual use of paperboard, is running considerably behind. The need to provide the needed containers for meat, particularly pork, is a complicating factor.

With the allocation of container metals much less than had been hoped for, the situation for tin and steel containers is expected to be very tight during July and August. The outlook for paper milk bottles is affected by the freezing of production as of the last quarter of 1943. This was the highest attained up to that time, yet more are needed. Although an increase cannot be obtained, an alternative is the glass bottle. Needs for glass as outlined in the food program can be supplied, although little in the way of surplus is in prospect. The situation in regard to metal and paper closures is similar to that of glass. The needs for butter and lard cartons apparently can be met, although other lines will have to suffer as a result.

The success of packaging the Nation's food supply depends on the maximum practicable conservation of critical container materials. Salvage of second-hand containers and their return to packers and shippers will go a long way toward avoiding much waste.

FRUIT AND NUTS

ON MAY 1 larger-than-average deciduous fruit production was indicated for this season, and con-

siderably larger than last year's low production. Favorable apple prospects were evident in nearly all commercial areas. Very little winter or spring freeze damage occurred to either trees or buds, and the bloom and set were generally heavy.

Late spring frosts reduced excellent early season peach prospects in the southern and bordering States, but in other sections of the country conditions were generally favorable. Pear prospects were good in the Pacific Coast States and other important pear-producing States. Indications point to a better-than-average grape crop but not as good as last year in California.

Present prospects indicate good crops of California almonds and walnuts, and Oregon filberts. Southern pecan trees were in good condition late in the Spring, indicating a favorable crop.

TRUCK CROPS

FRESH market commercial truck crop production increases over last spring's crops are expected to be rather general, with only carrots, snap beans, lima beans, and beets showing decreases.

Indicated 1944 spring production, by crops, in terms of percentages of 1943 and the 10-year (1933-42) average, respectively, is as follows: Eggplant, 186 and 147; cantaloups, 147 and 100; watermelons, 161 and 109; onions, 165 and 159; honeydew melons, 142 and 48; honeyball melons, 117 and 38; cabbage, 119 and 86; lettuce, 121 and 133; tomatoes, 111 and 124; green peppers, 143 and 119; green peas, 105 and 82; celery, 122 and 115; spinach, 103 and 120; shallots, 107 and 71; cauliflower, 105 and 87; cucumbers, 116 and 76; asparagus, 103 and 122; beets, 89 and 47; green lima beans, 93 and 108; snap beans, 78 and 76; and carrots, 65 and 128 percent.

A SALUTE TO CROP REPORTERS

AS PRODUCERS, dealers, and processors of farm commodities, you are the main source of information on production and prices of food, fiber, and oil crops, and other wartime products of the farm. When reliable information is needed, it is best to get it at its source. That is why the Department asks you for these reports. That is why you have been receiving *and answering* more requests for information than in peacetime.

The tempo of the war has not only increased the volume of your work as a crop, livestock, or price reporter but it also has required speedier action. Often the time element involved in obtaining the information and filing your report has been of paramount importance. Your cooperation and fine response to these new demands have been important contributions to the war effort.

The public-spirited manner in which you are performing your increased crop reporting functions, along with your other wartime work, is a fine example of service to your country. You have worked longer, harder hours at your job of producing, processing, or handling farm products. And after a hard day's work, you have sat down to fill out a report in order to provide the Nation, through your Government, with the best up-to-date information that was available.

I take this opportunity to salute you, to express the sincere appreciation of the Department for the service you perform as a Crop Reporter.

CLAUDE R. WICKARD
Secretary of Agriculture

Getting the Facts on the Farm Front

BASIC information on the Nation's agricultural output, in more detail than ever before, is a prime essential in the current national and world situation. This stems from the great emphasis that necessarily must be placed upon this country's production of food and of other agricultural commodities necessary to ultimate victory of the Allies.

Month-to-month changes in our agricultural picture can be portrayed accurately and quickly only through the wholehearted cooperation and interest of the reporters in the ranks of producers and handlers of farm products. Farmers, merchants, bank-

ers, warehousemen, processors, and others supply timely and essential information on agricultural production, stocks, prices, marketings and related subjects. It would be difficult to over-estimate the far-reaching importance and usefulness of their composite reports on the Nation's agricultural effort.

Each year, on an average, about 600,000 farmers make out such reports and return them promptly to the state offices of the Bureau of Agricultural Economics. Something like 70,000 of these producers make up the corps of voluntary crop correspondents who each month stand ready

to report on cotton and other crops, on livestock, and on general agricultural conditions in their respective localities. Another 90,000 or more may furnish periodic special reports on some major crop or group of crops they are engaged in producing, such as cotton and commercial fruit. Nearly 450,000 farmers report once or twice a year regarding the crop acreage or livestock numbers on their individual farms.

In addition to the farm front, country merchants and local dealers in farm products, to the number of approximately 85,000, report several times a year to the Bureau on the prices received by farmers for the products they sell and the prices paid by farmers for articles they buy for family living and for production purposes. No less important are the 90,000 odd establishments—country mills, elevators and warehouses, hatcheries, sugar beet factories, dairy product manufacturers, canning plants, and various other processors or handlers of agricultural products—who report regularly on some phase of their operations.

Interest in Food More General

Never before has food been the universal topic of conversation and concern that it is today. Everyone displays more than usual awareness of the significance of our food supplies, and is alert to notice from day to day what significant changes are in prospect. Housewives and workers in whatever capacity or occupation—in fact all of us in our status as consumers—have been made intensely food conscious through food rationing and changing point values, Victory gardens, and discussions on nutrition and diets. There is widespread realization that the Nation's expanded agricultural production must be wisely apportioned to satisfy civilian needs, meet the tremendous military requirements, contribute to the urgent demands of our allies, and aid in providing initial relief to liberated populations.

Adequate, timely and reliable facts

on actual and prospective agricultural production are indispensable to those with high responsibility for the Nation's welfare in this emergency. Federal, state and local leaders of agricultural programs are charged with the responsibility of setting up and attaining well-balanced goals far above peacetime needs. Hence they must have the facts about food, fiber, oils and other farm products in sufficient detail, currently, to reach intelligent decisions in guiding their actions.

Basic Data Widely Used

National and state legislators and public administrators concerned with maintaining the equilibrium of the agricultural plant in the total war effort, likewise are dependent upon what the month-by-month and year-by-year facts reveal as a basis for their policy and actions. Agricultural educators, analysts, editors, and extension workers must have unquestionably sound statistics on the production and supply of farm products, current and past, if they are to furnish wise counsel on the special agricultural problems resulting from the war economy. Rail and truck carriers, storage establishments, processors, and others in trades and enterprises whose job it is to move products from the point of production to the point of their use require dependable reports on agricultural conditions and production prospects in some detail, to assure that their operations will be most economically effected.

This war-quicken interest and the widely extended needs for basic crop and livestock estimates has brought about pronounced expansion in both the volume and character of official estimating and reporting services. A crop of comparative insignificance not so many years ago may leap to national prominence over a span of a very few years. An instance is the rise in soy-bean production as a major source of much-needed vegetable oils. Other crops or products relatively unnoticed before the war suddenly

become strategically important. Background information on production and location of supplies becomes imperative as a basis for directing utilization to the most essential purposes, or to provide for a desirable expansion of production.

Some Crops Reported Oftener

A number of food crops and products are particularly adaptable for shipment overseas because they represent or can be converted into concentrated foodstuffs, and thus conserve limited shipping space. For products of this type, such as dry beans, dried peas, rice, cheese, milk, eggs, and potatoes, new and more frequent reports were needed to gauge supplies, their availability and their location. Vegetable and other agricultural seeds, as a group, have naturally assumed a tremendous importance in the wartime economy. To meet unusual demands a wide variety of special reports has had to be added for some 80 crops in this category. For 50 major kinds of vegetable seeds alone, upon which no information had previously been available, periodic reports covering acreage, yield, production, and stocks, were among the first to be initiated to meet primary needs soon after the opening of the present European War.

By and large, most of the newer reports have represented some extension or amplification of official reports already well-established. The existing program included official estimates of acreage, yield, production, and stocks of crops, numbers of livestock, production of meat animals and livestock products, utilization and price of the various products, as well as estimates of farm labor, farm wage rates, and other items. These widely known reports, furnishing periodic estimates of national and state production and supplies of farm products, continue as a necessary foundation for newer developments. In addition, a considerable demand has arisen for facts on the utilization of crops and livestock products, and on price levels, trends and comparisons.

In addition to national and state requirements, the local adaptation and applications of the war food program, and other local activities in the agricultural war effort, have made heavy demands upon the estimating services. Among these localized activities are farm labor placement, wage considerations, and effective utilization of transportation, storage, and other essential facilities or services. This has resulted in the need for estimates of all kinds for producing areas smaller than a State. In some cases, breaking state data down into estimates for the major districts or producing areas of the State will satisfy the need. But frequently county estimates are urgently desired.

The preparation of reliable estimates for these smaller areas usually requires reports from many more farmers asking much more detailed information as to their individual operations. Such estimating work is attended with somewhat greater statistical difficulties than are involved in preparing estimates for a State as a whole. Fortunately, a valuable backlog of experience and data had been built up through several lines of work already carried out by the Bureau's State agricultural statisticians in 41 field offices. One of these activities was concerned with the preparation of estimates for use in previous special conservation programs for certain staple crops. Another notable contribution occurred as a result of the joint effort and support of the official cooperating agencies in 33 States over a long period of years.

County Estimates Invaluable

County or localized estimates have been invaluable in many ways. Among the more general are the planning and reaching of objectives of a Nation-wide character in which each State and county have a coordinate interest. Typical of these are the use of the county or localized estimates as a basis for gauging the maximum contribution the farmers in each State and county could make to balanced

production objectives for the country as a whole, and their use in conjunction with the setting of county goals. These estimates also provide part of the factual foundation upon which other local matters may be impartially considered and acted upon such as, setting quotas for farm machinery, building materials, or labor.

As wartime demands have made it necessary to obtain additional detailed information, it has been sought at the source. More inquiries have been sent to producers and handlers of farm products. These had been proved by long experience to be the

dependable source of reliable information. And the reporters responded. They are filling out survey blanks after longer-than-usual days of harder work than ever before. They feel it to be their duty to produce the food and supplies, and to perform the essential services requested by Government. But it is patriotic service beyond the call of duty when they furnish the facts in addition to the food, fiber, and fats.

PAUL L. KOENIG, *Head*
Division of Agricultural Statistics
Bureau of Agricultural Economics

What's Happened to Feed and Livestock?

CHANGES in the output of livestock products during the war have roughly paralleled changes in livestock-feed price relationships. Variations in the price ratios, in turn, have grown out of changes in the supply of feed and the demand for livestock products and out of governmental action affecting prices.

Four general periods are worth examination from this point of view:

- (1) From 1937 until September 1939;
- (2) September 1939 until April 1941;
- (3) April 1941 until April 1943;
- (4) April 1943 until the present.

The first of these periods is characterized by recovery from the drought with increasing production and accumulation of reserve stocks of feed, and slow increases in livestock production. The second is characterized by an uncertain and declining market for livestock products. The third period is characterized by strong demand, a rapid increase in feed production and a much more rapid increase in livestock production; the fourth, by adjustment in prices and an effort to balance output of the various classes of livestock products with dwindling feed supplies.

Following the droughts of 1934 and 1936, feed grain supplies in 1937 were

small and livestock prices were quite low in relation to feed prices. Crop yields per acre in 1937 were the best in nearly a decade, and near the end of the year the livestock-feed ratios generally became favorable to the output of more livestock products.

The livestock-feed price ratios remained favorable, for the most part, through 1938 and 1939 and the production of nearly all classes of livestock products increased. Milk production and the pig crop set new records.

September 1, 1939, when Hitler invaded Poland, the outlook for farm markets was confused. An outlook statement commented, "Of all farm products, hogs are the only one for which a significant expansion in the export outlet is probable for 1939-40 as a result of the European war." The carryover of corn October 1, was the largest, by far, in a decade and a half.

Near the end of 1939 the hog-corn ratio began a downward plunge owing to a drop in hog prices that carried the farm price to less than \$5.00 per 100 pounds and made hog production unattractive throughout the next year. The total pig crop in 1940 was down 8 percent from the crop in 1939; and in

December 1940, farmers reported that they intended to reduce the 1941 spring pig crop by 14 percent from the spring crop of 1940. Export markets—even for pork products—were virtually shut off in 1940 as a result of the war.

Large 1941 Pig Crop Asked

On December 26, 1940, the Secretary of Agriculture announced that, with increased consumer purchasing power because of the defense program, a 1941 spring pig crop about the size of the 1940 crop seemed desirable. Moreover, he recommended increased marketings of cattle. The statement said in part:

"With prospects for higher hog prices in 1941 and 1942, farmers * * * should consider holding back or purchasing more breed sows and gilts.

"A near-record supply of feed for livestock is on farms and in storage and in most areas farmers have sufficient corn supplies for maintaining the number of pigs raised in 1941 at the 1940 level. The 475 million bushels of corn in the Ever-Normal granary is equal to about one-fifth of a normal year's crop.

"A considerable part of this corn is owned by the Commodity Credit Corporation. To help stabilize livestock production * * * the CCC will sell corn in steel bins or country elevators at about 65 cents per bushel at the point of storage * * *"

By January 1941 the hog-corn ratio was again favorable to greater production of hogs. Farmers reduced the number of sows bred only 6 percent instead of the intended 14 percent; and thanks to more pigs saved per litter, the spring pig crop was down only 1 percent from that of the previous spring.

In March 1941 Congress passed the Lend-Lease Act, which included farm products among items that could be transferred to countries whose defense we deemed necessary to our own defense. On April 3, 1941, the Department of Agriculture announced a program for increased production of

pork and lard, dairy and poultry products. It reported plans to support prices, through June 30, 1943, on the basis of prices at Chicago, at approximately the following levels: Hogs, \$9 per 100 pounds; butter, 31 cents a pound; chickens, 15 cents a pound; eggs, 22 cents a dozen.

In a radio talk April 19, the Secretary of Agriculture said in part: "This is a program to provide an abundance of food for our own people, just as much as it is a program to produce for Great Britain.

"Specifically, our food plan means converting the feed supplies in the Ever-Normal Granary into food supplies. After the droughts of 1934 and 1936 burned up over two billion bushels of corn * * * we decided it would be a good thing to store up reserves against any emergency. * * * Having them, it is easy to raise more livestock and more poultry * * *.

"Great Britain needs pork, dairy products, poultry products, and other foods. She does not need and is not likely to need very much of our cotton, wheat, or tobacco for some time to come. Our stocks of *these* commodities are large. * * * It seems the part of common sense to grow more of the things we need; less of the things we don't need."

1940 Corn Carryover Large

The carryover of corn on October 1, 1940, was 688 million bushels—80 percent above the greatest volume reached in any year from 1926 through 1938. And on January 1, 1941, the supply of corn and oats per animal on farms was nearly 16 percent greater than it had been in any year from 1927 through 1937.

In response to increased defense production, rising incomes, and some gain in shipments overseas, prices of livestock products rose sharply during 1941. Feed prices, on the other hand, advanced less rapidly—reflecting the large stocks accumulated and the policy of releasing government-owned

grain for feed at moderate prices. The milk-feed price ratio failed to take its usual seasonal downturn in April, May, and June of 1941—in fact, it started upward in April and remained favorable throughout the rest of 1941 and in 1942. From May 1941 until October 1942 the hog-corn price ratio climbed, with few interruptions, to reach the highest point since 1926. The egg-feed price ratio, counter to the usual seasonal trend, was climbing by mid-April of 1941, and was generally favorable through 1942.

Abundant feed and favorable price ratios, backed up by price floors and appeals for increased production, brought a succession of new record highs in output of livestock products. Egg production, compared with a year earlier, was up 6 percent in 1941 and another 16 percent in 1942. Milk production was up 5 percent in 1941 and another 3 percent in 1942. The 1941 fall pig crop was up 17 percent from that of the previous fall; the 1942 spring crop up 24 percent, the 1942 fall crop up another 23 percent.

Feed-Grain Output Lagged

Production of feed grains did not increase as fast as the production of livestock. The carryover of corn dropped from the peak of 688 million bushels on October 1, 1940, to 645 million on October 1, 1941, and to 492 million on October 1, 1942. Despite the all-time record corn crop of 1942, the carryover on October 1, 1943, was down to 373 million bushels. By New Year's day of 1942, the number of grain-consuming animals on farms was only 2 percent below the pre-war record set in 1923. By January 1, 1943, the number was 9 percent above that record, and by January 1, 1944, it was 17 percent above the pre-war record. The supply of corn and oats (carryover plus current year's production) reached a wartime high of 0.52 ton per animal on January 1, 1941, and again in 1942. After that it dropped off to 0.50 on January 1, 1943, and to 0.40 on January 1, 1944.

Continued increases in livestock

production were possible not only because farm animals ate up the feed grain reserves stored up at the beginning of the war plus the record crops of 1942 and 1943, but also because of the other feedstuffs available. Pastures and range land were in unusually good condition; production of high-protein supplements such as soybean, and peanut cake and meal was increasing. Moreover, in the year beginning October 1942, farmers fed 426 million bushels of wheat to livestock as compared with a range of 80 to 180 million between 1930 and 1941. To bolster domestic feed supplies, the United States imported 123 million bushels of wheat, 29 million of oats, and 17 million of barley from Canada between August 1, 1943 and April 6, 1944.

Farm Livestock Prices High

On April 10, 1943, the War Food Administration made an announcement which said among other things that: "Current prices for livestock are above the levels reflecting a proper relationship to the existing wholesale meat ceilings. * * *

"In view of the present feed prospects, hog producers are advised not to increase breeding for 1943 Fall farrowings by more than 15 percent above the 1942 level. * * * An increase of only 5 percent * * * would * * * meet the overall goal of 15 percent increase [spring and fall pig crops combined] in 1943 over 1942.

"The Office of Price Administration is adjusting its [corn price] ceilings in the surplus producing area to allow the maximum seasonal price at this time in order to encourage the immediate resumption of the movement of corn through trade channels. * * *

In the 2 years from April 1941 to April 1943, much had happened. Price floors had been progressively raised. Goals called for successive increases in output of livestock products. Production of milk and eggs had climbed to new records. Although milk production in 1942 was short of the goal, egg production exceeded the

goal and both milk and eggs set new records. Hogs were fed longer, to heavier weights; beef cattle numbers steadily increased. In brief, live-weight production of meat animals on farms was rising rapidly but marketings were short of the goals.

As long as German submarines roamed freely in the Atlantic and until shipbuilding overtook sinkings, Britain, to survive, had to get as much energy food as possible packed into as little space as possible. Hence the emphasis on pork and lard, powdered milk, and powdered eggs.

1943 Emphasis Shifted to Feed

But by 1943 the situation had changed. It was becoming more important to conserve shrinking feed supplies than to attempt any further increase in output of concentrated foods to save shipping.

Feed-livestock price ratios generally remained favorable during most of 1943, until Government-owned stocks of corn and wheat for feed, which had been used to hold down feed prices, were nearly exhausted toward the end of the year. Egg production in 1943 was up 12 percent from 1942—overshooting the goal by 4 percent. Meat output, although 8 percent above the preceding year, was still 10 percent short of the 1943 goal. And milk production, under the impact of local feed and labor shortages, was slightly lower than in 1942 and 3 percent below the 1943 goal, in spite of the fact that the milk-feed and butterfat-feed price ratios were favorable most of the year. Livestock numbers on farms January 1, 1944, reached a new record high.

There were plenty of livestock on farms in 1943 but they stayed there instead of coming to market—until the flood of hogs came in at the end of the year; and when the hogs came in they weighed 10 percent more than the average marketed in 1935–39. It was more profitable to feed corn to hogs in the Corn Belt than to sell it to dairy-men in other parts of the country.

In the latter part of 1943, various

steps were taken to retard hog production—and it was announced that the floor price for hogs would be lower after September 30, 1944, when the current commitments expired. By November 1943, the hog-corn ratio was below the 20-year average for the first time in nearly 3 years. In December, the corn ceiling was increased; and in December, farmers planned to reduce the spring pig crop by 16 percent (the goal was a 15-percent reduction). Hogs came in with a rush that glutted the markets temporarily and taxed slaughter capacity for most of the winter.

The egg-feed price ratio also became unfavorable in the latter part of 1943. The 1944 goal called for a 2-percent increase in egg production—and actual production in the first quarter of the year was running 9 percent ahead of a year earlier, because of the open winter and the record number of chickens raised in 1943. Production in April, however, was only 4 percent above production a year earlier and output in the latter part of the year is expected to fall below 1943 levels.

By August 1943 the butterfat-feed price ratio had dropped below the 20-year average, and in September the milk-feed price ratio was very slightly below. The dairy production payments initiated in October 1943 pulled the milk-feed ratio back up above the long-time average, and increased the butterfat-feed ratio although it remained below the 20-year average.

1944 Feed-Grain Carryover Small

The volume of grain fed in the October–December quarter of 1943 was greater than the volume fed a year earlier. In the January–March quarter of 1944 it had finally dropped below the volume fed a year earlier. Prospects are that the carryover next October 1 will be the lowest since 1937, in spite of the fact the 1942 corn crop was the largest and the 1943 crop was the second largest in history; and also in spite of the fact that the number of cattle on feed in the Corn Belt April 1

was the smallest in 6 years while marketings of hogs, cattle, and calves in the first 4 months of 1944 were the largest on record for the period. The beef-steer-corn price ratio at Chicago dropped below the 20-year average in December 1943 and was still below in mid-April.

To summarize, demand for livestock products was weak from the outbreak of war in Europe until the spring of 1941, when it was strengthened by the Lend-Lease Act and greater consumption as a result of increasing defense production. Feed supplies were exceptionally large at the start of the war, but despite record crops after 1941 livestock production rapidly outran feed supplies.

The first price supports were announced April 3, 1941, along with a call for increased livestock production, and prices remained favorable to livestock producers until the latter part of 1943. Production of meat animals, milk, and poultry products increased to new records. But dairy product prices in 1943 were not high enough to compete with hog prices and beef

cattle prices in obtaining feed, and milk production declined. Adjustments in price relationships and related measures in the latter part of 1943 and early 1944 made the dairy-feed price ratios more favorable in relation to the others, and halted the decline in milk production.

We have used up the large feed grain reserves accumulated at the start of the war, we have fed far more wheat than usual, and we have imported grain from Canada. But we cannot hope to maintain our numbers of grain-consuming livestock much longer at a level 17 percent above the pre-war record. Goals for 1944 call for all-out crop production—and in order to make the most efficient use of available feed they call for a 2-percent increase in egg production (compared with 1943) a 2-percent increase in milk production and a reduction in meat animal numbers through increased slaughter. Present trends are in the direction of those goals.

FRANKLIN THACKREY
Bureau of Agricultural Economics

More Milk Goes to Market Whole

A QUARTER of a million dairy farmers have switched from selling farm-separated cream to selling whole milk since the pre-war years 1935-39. Farm sales of whole milk at wholesale increased from about 40 billion pounds in 1935-39 to more than 60 billion pounds in 1943. In the same period the milk equivalent of farm-separated cream sales dropped from 32 to 31 billion pounds. The increase in whole milk sales far outstripped the total gain in farm milk production during this period. The additional milk brought into the market for whole milk since 1935 is about equal to the entire farm marketings of whole milk at wholesale twenty years ago.

War needs, and price relationships resulting from them, have been responsible for accelerating a swing toward using our milk supply more fully.

Output of manufactured dairy products utilizing whole milk—including cheese, evaporated milk and dried skim milk—increased greatly from the 1935-39 average to 1943. Consumption of fluid milk and cream increased by 10 billion pounds during the same period, responding to increased consumer incomes. From the 1935-39 period to 1942 whole milk marketings increased faster than production of whole milk products. Consequently, more skim milk became available in dairy plants. The amount of skim milk used for skim milk products rose from 7.8 billion pounds annually during 1935-39 to 11.3 billion pounds in 1942. In 1943 only 9.0 billion pounds were used for skim milk products because milk used in whole milk products increased faster than whole milk deliveries.

A large part of the additional whole milk came from larger production on farms already selling whole milk. But war needs also reached into the reservoir of skim milk being fed to livestock or wasted. Many farmers who formerly were separating milk and then selling the cream and feeding the skim milk to livestock, are now sending whole milk to market. This shift has been an important war adjustment by the dairy industry. It is possible that some shift back may come at the end of the war even though the gains in marketing whole milk will not all be lost. The facts about the increasing sales of whole milk so far shed some light on probable post-war developments. Much depends on the development of a demand for nonfat milk solids comparable to that for butter.

Skim Milk Product Demand

Condensed skim milk and cottage cheese production and consumption in the United States have increased steadily during the past decade. Casein production also increased irregularly until curtailed by the demand for food products from skim milk. However, production of dried skim milk (nonfat dry milk solids) has increased most sharply, and accounts for most of the increased skim milk use.

Domestic consumption of dried skim milk for human food has increased continuously since 1935. Human food uses took 199 million pounds of dried skim milk in 1935, increasing to over 300 million pounds in 1942. Consumption of animal feed dried skim milk ranged between 116 and 158 million pounds annually during 1935-41, but fell to 60 million pounds in 1942.

The baking industry has been the principal user of dried milk. From 1929 to 1939 the quantity of powdered milk used by bakers more than doubled, increasing from 73 million pounds to 169 million pounds (including possibly 5 to 10 million pounds of dried whole milk). Milk solids are used in amounts up to 3 to 6 percent

of the amount of flour in some bread. General use of the latter amount by commercial bakers would create a demand for more than 500 million pounds of dried skim milk annually—a quantity more than twice as large as the 238 million pounds consumed annually by all users during 1935-39.

In early 1943 Food Distribution Order 1 required bakers to use from 3 to 4 percent of milk or skim milk solids in bread. But it was impossible to maintain sufficient civilian supplies for even the 3-percent level of usage, and at present the minimum requirement for milk solids content of bread has been removed. The baking industry will undoubtedly consume new record amounts of dried skim milk when present restrictions can be eased or removed.

Household uses have never taken important quantities of dried skim milk. One of the outstanding challenges to the dairy industry for the postwar period is to develop a market in this field. In the last few years some skim milk powder has been placed on the market in consumer packages, and it is probable that this outlet would have been extensively tested already if the war had not intervened. More extensive home use will probably depend on changes in food preparation habits as well as on availability of skim milk powder in convenient form at low cost.

Cream to Whole Milk Sales

The largest percentage increase of dried skim milk production since the pre-war period was in the West North Central States, where the 1942 production of 103 million pounds was 280 percent of the 1935-39 average. Wholesale sales of whole milk by farmers increased from an average of 2.9 billion pounds to 6.1 billion pounds while the milk equivalent of farm-separated cream sales increased from an average of 18.0 billion pounds during the pre-war years (1935-39) to 19.1 billion pounds in 1943. If the same percentage increase had occurred in both milk and cream sales, the latter

would have amounted to 21.7 billion pounds. Thus, producers of nearly 3 billion pounds of milk appear to have shifted from marketing farm-separated cream to marketing whole milk in this region.

In the East North Central States, 1942 production of dried skim milk was 273 million pounds, an increase of 187 percent over the 1935-39 average. Wholesale sales of whole milk by farmers increased from 16.0 billion pounds to 24.8 billion pounds, while the milk equivalent of farm-separated cream sales declined from 7.1 billion pounds to 4.1 billion pounds. Producers of nearly 5 billion pounds of milk appear to have shifted from marketing farm-separated cream to marketing whole milk in this region.

Outside of the North Central States this sort of shifting appears to have involved about 3 billion pounds of milk while there was a 30 percent increase in the production of dried skim milk.

The significance of the shift from cream to milk sales is twofold: (1) It is a result of the increased value of

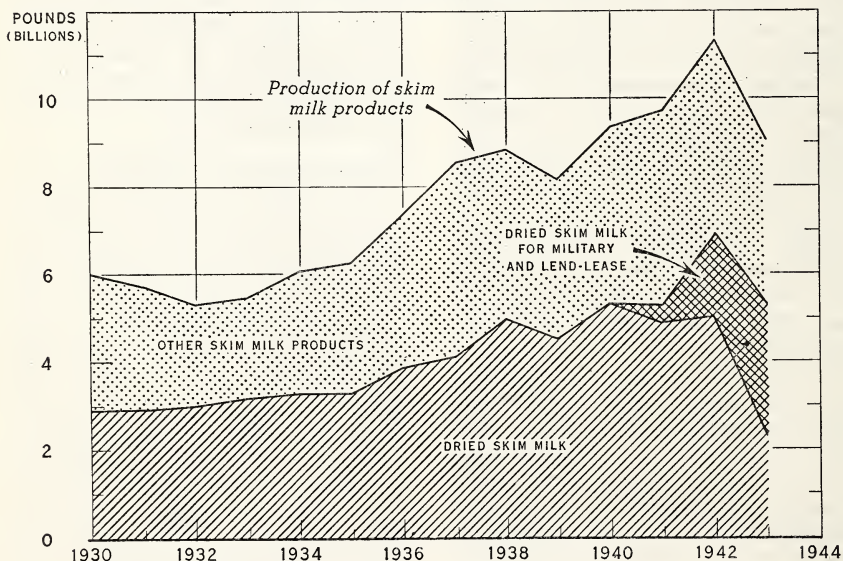
the nonfat solids in milk because of the war food program; and (2) it is a result of providing facilities for utilizing skim milk for manufactured dairy products in areas where facilities of that sort had not been available. In the East North Central States, a large proportion of the producers of farm separated cream have had access to alternative whole milk markets for many years. They were free to change their method of marketing as relative prices favored selling whole milk, or skimming it and then feeding skim milk. In the West North Central States, however, dairy plants for producing whole and skim milk products were accessible to relatively few dairy-men. Had there been more plants, there probably would have been more whole milk marketed in this region.

New Skim Milk Outlets

Total production of dried skim milk during the 1935-39 period averaged 375 million pounds annually. In 1942 it was 627 million pounds, dropping to 478 million pounds in 1943 because supplies of skim milk declined. The

PRODUCTION OF SKIM MILK PRODUCTS, 1930-43

SKIM MILK EQUIVALENT



peak United States production of dried skim milk in 1942 took over 2 billion pounds more skim milk than during 1935-39. The demand for dried skim milk led to the construction of many new dairy plants beginning in 1941, as well as the addition of milk drying equipment to many existing plants that previously bought only farm separated cream. Thus, whole milk outlets were provided for thousands of farmers who formerly had no choice but to feed their skim milk to hogs or waste it.

Throughout the United States, dried skim milk production was reported by an average of 429 plants each year during 1936-40 and by 492 plants in 1942. In the West North Central States the number of plants increased from about 50 during the pre-war years to about 60 in 1941, and to 84 in 1942. A study of drying capacity as of January 1, 1943, showed that, allowing for seasonal variation in supplies, about 1,200 million pounds of dried skim milk could be produced annually. However, many dairy plants that formerly dried some skim milk have recently used their entire milk supplies for whole milk products, and a considerable part of the increased production has come from new plants.

During 1943, the War Food Administration helped to obtain priorities for constructing 107 roller process milk drying plants and 26 spray process plants. Of these, 47 roller plants and 15 spray plants actually were built

and put into operation, mostly in the latter half of 1943. It is expected that the remainder of the plants for which priorities were obtained last year will be put into operation this year. In addition, priorities recently have been granted for an additional number of plants and some of these also may begin production this year

Post-War Possibilities

Following the war, there is likely to be a larger demand for whole milk. The trends in production of whole and skim milk products were upward before the war. Consumption of dried skim milk for human food especially was increasing sharply. Civilian consumption trends were largely reversed by war needs, which limited civilian supplies. But there is undoubtedly an undercurrent of demand at a level much above the 1935-39 average. Consequently, whole milk sales are likely to continue high, with sales of farm-separated cream continuing to decline.

If there should be a post-war decline in demand for whole milk, there will be strong competition between the newly established and the older whole milk areas. This may cause declining returns for the nonfat solids of milk, with increased sales of farm-separated cream in areas where it would be relatively advantageous to feed skim milk to livestock.

LOUIS F. HERRMANN
Bureau of Agricultural Economics

Farms for Soldiers and War Workers

INQUIRIES from veterans, servicemen, and industrial workers who want to farm now or after the war are being received daily by Government agencies, by farmers and others. Inquiries come from many who want to return to farming, from those located on poor land or in overcrowded rural areas, and from urban residents. Judging from the number of inquiries

and interest displayed, it is likely that the demand for farms after the war will exceed the available opportunities to farm. Since the beginning of the war about 4½ million farm people have gone into the armed services and into industrial and other nonfarm work. Already several thousand men are being released monthly from the armed forces and returning to other work.

People interested in taking up farming are doing more than just writing letters. Many urban workers who know little about farming are buying land, some of it poor land for farming. A recent Associated Press article tells a story that can be duplicated in several areas: "Scores of war workers are purchasing sight unseen, worthless northern Michigan land which will never be suitable for agriculture from land speculators. War workers pay three and four hundred dollars down on a piece of land they have never seen * * * when they finally see the land they find 40 acres of blow sand worth considerably less than the down payment." The public has a responsibility in holding to a minimum such spurious land sales activity since it will be called on to furnish relief to settlers on such land when they get into difficulty.

On the other hand, many farmers at home are buying farms. Some are buying for their sons on the farm—or in service. Or, they buy land to increase their own farm acreage. People also are putting money into land as an investment. Others are buying a place for security and a home for retirement.

Land Values Rising

Such land buying has affected the farm land market during the past year. The number of voluntary sales of farms in 1943 was higher than in any other year on record—even higher than in 1919. This boom in land has caused the Secretary of Agriculture to caution "* * * the fever of rural land inflation has not only set in but has reached a point of danger in many important agricultural areas."

It is important that a land boom be prevented. Many of the veterans, war workers, and farmers who failed after the last war did so because they paid too much for their land. Many who did not have farms bought during the boom, then demand for farm products fell off rapidly after the war needs were filled. Prices dropped considerably at first and later fell to low levels

during the depression of the 1930's. There were also other reasons for failure, such as: (a) Selection of poor land, (b) too little knowledge of farming, (c) trying to pay for farms in too short a time, (d) too few acres of tillable land, and (e) lack of sufficient equipment and improvements. By proper action now many people can be prevented from making these same mistakes again.

Wartime Crop Expansion

During this war the acreage of land in harvested crops increased from about 321 million acres in 1939 to 351 million acres in 1943. Just as in the first World War there has been an increase in total harvested crop acreage. Actually farmers are producing more food on about the same acreage they did in 1918, but with less labor. And, in the years ahead they are going to become more efficient. Recently it has been estimated that through adoption of improved practices, farm production could be increased 10 to 12 or more percent in a few years without increasing cropland acreage.

If demand for farm products falls off after the present war similar to that following World War I, all of the 30,-000,000 acre increase may not be needed in crop production for some time. After the last war it was not until 1929 that total harvested crop acreage reached a point as high as the expanded wartime acreage of 1919. This increased acreage came about in the main from the development of new land, chiefly in the Western States. The factors here mentioned and others will directly influence the number of opportunities on the land.

Opportunities on Existing Farms

Although crop acreage for peace may not be as high as for war, some farm openings occur every year. Many former farm men who are now in service or in war industry can obtain farms by taking over their home farms or can get employment on them. Many others, however, will want to remain in or go into industry or other nonfarm

work, if jobs are available. If farming remains profitable and retirement of older farmers is at a rate usually prevailing in such periods, there will be a considerable number of farms becoming available for sale or rent to new operators in the first few years after the war. Estimates vary as to the possible number of retirements of elderly farmers which may be expected at the close of the war. They range from 100,000 full-time farms with incomes of \$600 or above, to 300,000 farms of all sizes and types operated by owners and full tenants.

Improvement of many existing farms could be accomplished in several areas by clearing some suitable farm land, draining some of the better wet land, and adopting good farm practices, such as liming, fertilizing, and seeding pastures. Many farms now too small could provide full-time profitable operator jobs for these types of improvement. To accomplish this, particularly the land development type of work, will require considerable credit, equipment, and technical aid. Improvement of this type would be chiefly replacement and maintenance of land in existing farms and not a major expansion in either the number of farms or in commercial agricultural production.

Development of New Land

New land farms could also be developed as needed. However, most new land farms require considerable time and heavy costs for development. For these reasons such lands cannot be considered as providing extensive farm opportunities immediately. Irrigation drainage, and clearing of certain areas and return of some military lands to their pre-war agricultural use are also sources of new farms. The development of these lands depends in many instances upon legal authorization and funds for equipment, materials and labor required in carrying on the public works needed to improve the lands. Basic to new land development also is the demand for the land and its products. Generally the land to be

developed first should compare favorably with that already in production.

Recent estimates indicate that about 125,000 to 150,000 new farms could be provided by completing land development projects under way, authorized, or in the planning stage. Some of the major public improvements necessary for land development have been partially constructed in several areas, including the Columbia River Basin, the Central Valley of California, some other Western State areas, and the lower Mississippi Valley. While there are few additional large areas of undeveloped land suitable for farming, there are small areas interspersed in other land in different parts of the country. However, much time, study, and work will be required before such land can be made ready for cultivation.

Action Now Being Taken

For some time in several States, farmers, together with county agents, have been undertaking to advise and guide returning veterans and others who desire to farm. Some of these county groups have located available farms, openings for farm workers, and obtained data on farm values and other information that will be needed to guide and advise prospective farmers.

Action is now being taken to provide a Nation-wide county committee advisory service to veterans and others who are considering going into farming. County agricultural advisory committees or groups under the leadership of the county agent are being organized to render advisory and educational assistance to veterans and others while looking for farms and getting established. This assistance includes advice on such matters as: (1) The types of farming suitable to the different natural areas within a county, (2) capital required, (3) safe margins of indebtedness, (4) desirable sizes of farms, (5) information on partnership agreements and leasing arrangements, (6) sound operating practices, and similar matters. The membership of

the committees consists mainly of farm people familiar with agricultural conditions in the county, but other private citizens and employees of public agencies who are in a position to contribute to this effort are also eligible for membership. Veterans will be referred to this advisory committee by the reemployment committee of their local selective service boards.

Also, the Department of Agriculture, the State agricultural colleges and experiment stations are providing information on the general business outlook for farming. In several States publications have been, or are being proposed on farm opportunities. This information is being used by those who are planning to go into farming, by the county committees, and by other groups engaged in providing advisory service to veterans from farms who wish to get reestablished in farming.

Other measures are under consideration to aid in the adjustment of agriculture and the establishment of farm people returning from the war. These measures include: (1) Extension of credit for farm purchase, equipment, improvements and land develop-

ment; (2) assistance in improving farms and making them more productive; (3) studies of the land required to produce the needed products; and (4) related means to assist farmers make the adjustment from war to peace.

Insuring Farm Opportunities

The employment of farmers and other farm workers cannot be viewed separately from industrial employment. If there is full and profitable industrial employment accompanied by complementary foreign trade there is also likely to be fairly full farm employment at fair incomes. The two go together. In short, the double job of redirecting farm land use and employment of farm people requires carefully laid out plans looking ahead to the future. In forming such policies, the estimation of farm product needs for an adequate living, the farm land requirements and the number of farm workers needed, provides a basis for indicating the number of veterans and others who can find full-time paying work on farms.

HUGH H. WOOTEN and GUS LARSON
Bureau of Agricultural Economics

Protein From Soybeans and Peanuts

WARTIME requirements for increased supplies of protein food for military, civilian, lend-lease, and foreign relief purposes early directed attention to the use for human consumption of vegetable proteins of superior quality among which soybeans and peanuts were particularly emphasized. Post-war relief and rehabilitation of the people of occupied countries now presents a tremendous problem and one that will demand an adjustment in our agricultural production after the war. Already starvation and disease from lack of food is commonplace, especially among children. One of the most important shortages is that of protein foods.

Soybeans and peanuts are among the richest known sources of protein in naturally occurring foods. The protein content of soybeans ranges, according to variety, from 30 to 45 percent and when properly processed the protein is of a superior quality. Few, if any, agricultural crops produce more protein food per acre than soybeans. Peanut kernels contain from 25 to 35 percent of high-quality protein, depending on the variety and locality where they are grown. In addition to their valuable protein, soybeans and peanuts are also good sources of essential mineral elements and vitamins. Until recently the

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Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39 = 100) ¹	Income of industrial workers (1935-39 = 100) ²	1910-14=100				Index of prices received by farmers (August 1909-July 1914=100)			
			Wholesale prices of all commodities ³	Prices paid by farmers		Farm wage rates	Livestock and products			
				Commodities	Commodities, interest, and taxes		Dairy products	Poultry and eggs	Meat animals	All livestock
1934	75	76	109	122	129	95	101	89	70	84
1935	87	86	117	125	130	103	114	116	116	115
1936	103	100	118	124	128	111	125	114	118	120
1937	113	117	126	131	134	126	130	110	132	127
1938	89	91	115	123	127	125	114	108	115	113
1939	109	105	113	121	125	123	110	95	112	108
1940	125	119	115	122	126	126	119	96	111	112
1941	162	169	127	131	133	154	139	121	146	140
1942	199	238	144	152	151	201	162	151	188	173
1943	239	305	151	167	164	264	193	190	209	200
1943-May	238	302	152	167	163		189	175	216	200
June	236	304	152	168	164		187	179	213	199
July	240	306	151	169	165	274	189	183	209	198
August	242	312	151	169	165		192	192	208	200
September	245	315	151	169	165		195	201	208	203
October	247	317	150	170	166	280	198	212	204	204
November	247	318	150	171	167		202	219	193	201
December	241	316	151	173	169		203	212	194	200
1944-January	243	319	151	174	169	275	201	177	194	193
February	244	321	151	175	170		201	168	199	194
March	242	318	152	175	170		199	162	203	194
April			152	175	170	292	196	151	203	191
May				175	170		194	153	201	190

Year and month	Index of prices received by farmers (August 1909-July 1914=100)								Parity ratio
	Crops							All crops and live-stock	
	Food grains	Feed grains and hay	Tobacco	Cotton	Oil bearing crops	Fruit	Truck crops		
1934-----	91	95	159	97	95	88	95	98	90
1935-----	97	107	174	94	120	82	119	102	109
1936-----	108	102	165	95	112	92	104	107	114
1937-----	120	125	204	90	120	104	110	115	122
1938-----	75	71	176	67	88	70	88	80	97
1939-----	72	69	155	70	90	68	91	80	95
1940-----	84	82	136	77	96	73	111	88	100
1941-----	97	89	159	107	130	85	129	106	124
1942-----	120	111	252	149	172	114	163	142	159
1943-----	148	147	325	160	190	179	245	183	192
1943-May-----	144	144	319	162	187	170	276	187	194
June-----	145	148	320	161	187	196	261	190	195
July-----	148	151	321	158	183	216	220	188	193
August-----	147	152	326	160	196	202	186	183	192
September-----	150	156	315	163	199	205	180	182	193
October-----	157	158	335	164	201	195	187	183	194
November-----	160	158	347	156	202	196	228	187	194
December-----	166	165	349	160	202	208	223	192	196
1944-January-----	170	168	350	162	203	204	267	199	196
February-----	170	169	348	161	205	206	247	196	195
March-----	169	171	351	161	207	215	242	198	196
April-----	171	172	352	163	207	237	220	200	196
May-----	170	173	350	160	208	232	225	198	194

¹ Federal Reserve Board, adjusted for seasonal variation, revised November 1943.

² Total Income, adjusted for seasonal variation, revised March 1943.

³ Bureau of Labor Statistics.

⁴ Revised.

⁵ Ratio of prices received to prices paid, interest and taxes.

NOTE.—The index numbers of industrial production and of industrial workers' income, shown above are not comparable in several respects. The production index includes only mining and manufacturing; the income index also includes transportation. The production index is intended to measure volume, whereas the income index is affected by wage rates as well as by time worked. There is usually a time lag between changes in volume of production and workers' income since output can be increased or decreased to some extent without much change in the number of workers.

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comparatively small amounts of these seeds produced were used primarily for their oil and the press cake has been long valued as protein concentrates for feeding farm animals.

Soybean and peanut products, in the form of soya flour, grits, flakes, peanut flour, and peanut butter, offer practical and highly efficient sources of superior protein that can be used for human food in a variety of ways at comparatively low cost. Low- to medium-fat soya flours contain from 47 to 52 percent protein, while peanut flour from which most of the fat has been removed contains as much as 55 percent.

At the end of 1943 the capacity for production of soybean flour and grits was about 1,400 million pounds per year and the actual production was at the rate of 400 million pounds. The present soybean consumption for bakers' uses of flour in this country amounts to 80 million pounds per year.

Peanut flour for human consumption is being produced in a limited quantity, but could be turned out on a much larger scale. Because of its limited production this valuable source of plant protein has not been available in sufficient quantity to receive the full recognition it merits.

Soybean and peanut proteins are remarkably effective for supplementing the proteins of wheat. Addition of small proportions (5 to 15 parts) of soybean or peanut flour to wheat flour (95 to 85 parts) produces mixtures from which bread can be made having from two to three times the protein value of bread made from wheat flour alone. This effect is of great significance in relation to post-war relief, since a large part of Europe's diet will consist of wheat from surpluses from Canada, Australia, Argentina, and the United States.

D. BREESE JONES

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